

Regular Session, 2009

HOUSE BILL NO. 618

BY REPRESENTATIVE GREENE

TAX/CORP FRANCHISE: Exempts the first \$300,000 of taxable capital from corporate franchise taxation and eliminates the minimum amount of the tax

1 AN ACT

2 To amend and reenact R.S. 47:601(A)(introductory paragraph), relative to corporation
3 franchise tax; to exempt a certain amount of taxable capital from the tax; to eliminate
4 the minimum amount of the tax; to provide for an effective date; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:601(A)(introductory paragraph) is hereby amended and reenacted
8 to read as follows:

9 §601. Imposition of tax

10 A. Every domestic corporation and every foreign corporation, exercising its
11 charter, or qualified to do business or actually doing business in this state, or owning
12 or using any part or all of its capital, plant, or any other property in this state, subject
13 to compliance with all other provisions of law, except as otherwise provided for in
14 this Chapter shall pay an annual tax at the rate of ~~one dollar and fifty cents for each~~
15 ~~one thousand dollars, or major fraction thereof on the first three hundred thousand~~
16 ~~dollars of taxable capital and at the rate of three dollars for each one thousand~~
17 ~~dollars, or major fraction thereof, which exceeds three hundred thousand dollars of~~
18 ~~taxable capital. Taxable capital shall be determined as hereinafter provided; the~~
19 ~~minimum tax shall not be less than ten dollars per year in any case.~~ The tax levied
20 herein is due and payable on any one or all of the following alternative incidents:

21 * * *

1 Section 2. This Act shall become effective upon signature by the governor or, if not
2 signed by the governor, upon expiration of the time for bills to become law without signature
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
5 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Greene

HB No. 618

Abstract: Exempts the first \$300,000 of taxable capital from corporation franchise tax and eliminates the minimum tax for all corporations.

Present law requires every domestic corporation and every foreign corporation, exercising its charter, or qualified to do business or actually doing business in this state, or owning or using any part or all of its capital, plant, or any other property in this state, to pay an annual tax at the rate of \$1.50 for each \$1,000, on the first \$300,000 of taxable capital and at the rate of \$3.00 for each \$1,000, which exceeds \$300,000 of taxable capital. The minimum tax shall not be less than \$10 per year.

Proposed law changes present law to exempt the first \$300,000 of taxable capital from corporation franchise tax and eliminates the minimum amount of the tax for all corporations.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:601(A)(into.)(para.))